CHAPTER 205

## **GOVERNMENT - STATE**

HOUSE BILL 95-1178

BY REPRESENTATIVES Kerns, Armstrong, Berry, DeGette, Hagedorn, Hernandez, Lamm, Morrison, Nichol, Pfiffner, Sullivant; also SENATORS Norton, Johnson, and R. Powers.

## AN ACT

CONCERNING THE AGENCY-BASED PERSONNEL PILOT PROGRAM.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** Article 50 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PART to read:

## PART 7 AGENCY-BASED PERSONNEL PILOT PROGRAM

**24-50-701. Legislative declaration.** (1) The General assembly hereby finds and declares:

- (a) That the People of Colorado have chosen a specific constitutional format for implementing the state personnel system to ensure that the process of staffing state government is based on merit and fitness, independent of the political system;
- (b) THAT THE PUBLIC IS ENTITLED TO A STATE PERSONNEL SYSTEM THAT PROTECTS THE BASIC MERIT PRINCIPLES PRESCRIBED BY THE CONSTITUTION AND THAT CONSTANTLY IMPROVES THROUGH INNOVATION, FLEXIBILITY, AND RESPONSIVENESS TO CHANGING HUMAN RESOURCE MANAGEMENT NEEDS;
- (c) That a state personnel system based on and pursuing these fundamental goals is essential in order to maintain the confidence of the public in the state personnel system, to attract the best possible applicants for public employment, to create a workplace environment where state employees are motivated to excel, and to encourage

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

## LONG-TERM CAREERS IN STATE SERVICE;

- (d) That a state personnel system that is equipped to function in the next century must be one that empowers managers, supervisors, and employees, that decentralizes responsibility to state agencies in order to achieve the most efficient use of available resources and to increase employee productivity, and that serves Colorado's taxpayers by enabling each agency to do more with limited resources;
- (e) THAT THE AGENCY-BASED PERSONNEL PILOT PROGRAM IS DESIGNED TO PURSUE THESE GOALS BY ALLOWING AGENCIES TO IMPLEMENT A SYSTEM FOR EMPLOYEE RECRUITMENT, APPOINTMENT, PROMOTION, CLASSIFICATION, AND DISPUTE RESOLUTION WITHIN THOSE AGENCIES THAT OPERATE WITHIN THE CONSTITUTIONAL FRAMEWORK FOR THE STATE PERSONNEL SYSTEM.
- **24-50-702. Definitions.** As used in this part 7, unless the context otherwise requires:
- (1) "AGENCY" MEANS ANY DEPARTMENT, BOARD, BUREAU, COMMISSION, DIVISION, INSTITUTION, OR OTHER AGENCY OF THE STATE, INCLUDING INSTITUTIONS OF HIGHER EDUCATION.
  - (2) "EMPLOYEE" MEANS ANY EMPLOYEE UNDER THE STATE PERSONNEL SYSTEM.
- **24-50-703.** Agency-based personnel pilot program personnel guidelines and goals. (1) There is hereby created the agency-based personnel pilot program. The state personnel director shall provide assistance with implementation and coordination of the pilot program and shall consult with all participating agencies in order to ensure that the pilot program is administered in adherence to the criteria described in section 24-50-704 (1).
- (2) PARTICIPATION IN THE PILOT PROGRAM SHALL BE INITIATED BY AN APPLICATION OF THE HEAD OF AN AGENCY TO THE GOVERNOR ON OR BEFORE JANUARY 1, 1996. SUCH APPLICATION SHALL BE SUBMITTED TOGETHER WITH THE PLAN DESCRIBED IN SUBSECTION (3) OF THIS SECTION.
- (3) (a) EACH AGENCY THAT MAKES AN APPLICATION TO PARTICIPATE IN THE PILOT PROGRAM SHALL DESIGN AND SUBMIT A PLAN TO THE GOVERNOR THAT INCORPORATES A SYSTEM FOR ONE OR MORE OF THE FOLLOWING:
  - (I) THE RECRUITMENT OF EMPLOYEES;
  - (II) THE APPOINTMENT OF EMPLOYEES;
  - (III) THE PROMOTION OF EMPLOYEES;
  - (IV) THE CLASSIFICATION OF EMPLOYEES;
  - (V) EMPLOYEE DISPUTE RESOLUTION;

- (VI) THE PERFORMANCE EVALUATION OF EMPLOYEES.
- (b) The Plan shall be formulated utilizing the requirements and criteria contained in Section 24-50-704 and the input of the agency's management employees and nonmanagement employees.
- (c) Each Plan Shall include a mechanism for periodic evaluations of the Pilot program by the participating agency that focuses on whether the requirements and criteria described in section 24-50-704 are being achieved.
- (4) (a) THE GOVERNOR SHALL EITHER APPROVE OR REJECT THE PLAN SUBMITTED BY AN AGENCY. IF THE PLAN IS NOT APPROVED BY THE GOVERNOR, THE GOVERNOR SHALL RETURN THE PLAN TO THE AGENCY WITH COMMENTS OUTLINING THE REASONS FOR ITS REJECTION AND THE PERIOD OF TIME IN WHICH THE AGENCY MAY RESUBMIT THE PLAN TO THE GOVERNOR.
- (b) A PLAN THAT IS APPROVED BY THE GOVERNOR SHALL BE SUBMITTED TO THE STATE PERSONNEL BOARD FOR FINAL APPROVAL OR REJECTION. ANY PLAN NOT OBJECTED TO BY THE STATE PERSONNEL BOARD WITHIN THIRTY DAYS OF ITS SUBMITTAL SHALL BE DEEMED APPROVED AND SHALL BECOME EFFECTIVE.
- (5) THE HEAD OF AN AGENCY PARTICIPATING IN THE PILOT PROGRAM SHALL BE RESPONSIBLE FOR IMPLEMENTING THE PILOT PROGRAM IN THAT AGENCY.
- (6) (a) The state agencies participating in the pilot program shall present an annual status report on or before January 1, 1997, and on or before January 1, 1998. On or before December 31, 1999, those state agencies shall present a final report on the program together with recommendations for the future implementation of agency-based personnel programs in the state personnel system.
- (b) The reports required pursuant to this subsection (6) shall be filed in accordance with section 24-1-136 (9).
- **24-50-704. Pilot program guidelines and goals.** (1) ANY PLAN DEVELOPED BY AN AGENCY PURSUANT TO SECTION 24-50-703 SHALL ADHERE TO THE DIRECTIVES, REQUIREMENTS, AND ELEMENTS OF SECTIONS 13, 14, AND 15 OF ARTICLE XII OF THE COLORADO CONSTITUTION, INCLUDING, BUT NOT LIMITED TO:
- (a) THE APPOINTMENT AND PROMOTION TO OFFICES AND EMPLOYMENTS IN THE STATE PERSONNEL SYSTEM ACCORDING TO MERIT AND FITNESS AS ASCERTAINED BY COMPETITIVE TESTS OF COMPETENCE WITHOUT REGARD TO RACE, CREED, OR COLOR, OR POLITICAL AFFILIATION;
- (b) THE APPOINTMENT TO ANY POSITION IN THE PERSONNEL SYSTEM OF ONE OF THE THREE PERSONS RANKING HIGHEST ON THE ELIGIBLE LIST FOR SUCH POSITION, OR SUCH LESSER NUMBER AS QUALIFY, AS DETERMINED FROM COMPETITIVE TESTS OF COMPETENCE, SUBJECT TO LIMITATION IN THE STATE PERSONNEL RULES APPLICABLE TO MULTIPLE APPOINTMENTS;

- (c) The authorization of temporary employment of persons, not to exceed six months;
- (d) Compliance with probationary periods established by the state personnel board for persons initially appointed by the head of the department or by the head of a division within such department:
- (e) THE ADDITION OF VETERANS' PREFERENCE POINTS TO THE PASSING GRADE ON EACH COMPETITIVE EXAMINATION FOR CANDIDATES FOR APPOINTMENT OR EMPLOYMENT IN THE PERSONNEL SYSTEM:
- (f) REQUIRING THAT ALL APPOINTEES RESIDE IN THE STATE, BUT NOT LIMITING APPLICATIONS TO COLORADO RESIDENTS FOR THOSE POSITIONS FOUND BY THE STATE PERSONNEL BOARD TO REQUIRE SPECIAL EDUCATION OR TRAINING OR SPECIAL PROFESSIONAL OR TECHNICAL QUALIFICATIONS AND WHICH CANNOT BE READILY FILLED FROM AMONG SUCH RESIDENTS.
- (2) Subject to the requirements described in subsection (1) of this section, any plan developed by an agency pursuant to section 24-50-703, may include, but not be limited to, the following:
- (a) AGENCY SELECTION AND PROMOTION OF EMPLOYEES BASED ON EDUCATION, EXPERIENCE, AND PERSONAL CHARACTERISTICS;
- (b) AGENCY CLASSIFICATION OF EMPLOYEES BASED ON AN ORDERLY, RATIONAL, AND SYSTEMATIC STRUCTURE OF JOBS THAT PROVIDES COMPENSATION AT RATES COMPARABLE WITH SIMILAR JOBS IN THE MARKETPLACE AND PROVIDES FOR INTERNAL AND EXTERNAL EQUITY;
- (c) AGENCY RESOLUTION OF EMPLOYEE DISPUTES THAT SETTLES SMALL PROBLEMS EARLY AND PREVENTS LARGER PROBLEMS FROM OCCURRING IN THE FUTURE, THAT OPERATES AS A SOURCE OF INFORMATION FOR MANAGEMENT AND NONMANAGEMENT EMPLOYEES TO FOCUS THEIR ATTENTION ON WORKPLACE ISSUES, AND THAT SERVES AS AN EFFECTIVE COMMUNICATION CHANNEL BETWEEN NONMANAGEMENT AND MANAGEMENT EMPLOYEES.
- **24-50-705. Audit.** The state auditor shall conduct a performance review of the agency-based employee appointment and promotion pilot program on or before January 1, 1999, and present such review to the legislative audit committee on or before February 1, 1999.
- **24-50-706. Repeal of part.** This part 7 is repealed, effective December 31, 1999.
- **SECTION 2.** No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 25, 1995